MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

BMR1014 – FUNDAMENTALS OF MARKETING

(All sections / Groups)

11 OCTOBER 2017
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 7 pages with **2** Sections only.

2. **Section A**: **THIRTY (30)** Multiple Choice Questions. Attempt **ALL** questions.
   Section B: **TWO (2)** Structure Questions. Attempt **ALL** questions.

3. Please write all your answers for Section A on the OMR sheet and Section B in the Answer Booklet provided.

SECTION A [50 Marks]
Attempt ALL questions.

1) Building profitable customer relationships and gaining _____ requires delivering more value and satisfaction to target consumers than competitors do.
   a) differentiation
   b) economies of scale
   c) first-mover advantage
   d) competitive advantage
   e) comparative advantage

2) Each competitor has a mix of objectives. The company wants to know the relative importance that a competitor places on all of the following EXCEPT _____.
   a) cash flow
   b) company history
   c) current profitability
   d) market share growth
   e) technological and service leadership

3) An analysis conducted to determine what benefits target customers value and how they rate the relative value of various competitors' offers is known as _____.
   a) benchmarking
   b) quantitative analysis
   c) customer lifetime value
   d) customer value analysis
   e) brand value proposition

4) Most companies will compete with _____ rather than _____. For instance: Nike competes more against Adidas than against Timberland or Keen.
   a) benchmarkers; distant competitors
   b) market challengers; market nichers
   c) market challengers; market followers
   d) close competitors; distant competitors
   e) distant competitors; close competitors

5) Which of the following is the first step in competitive intelligence system?
   a) check, interpret, and organise gathered information
   b) collect published data and information from the field
   c) identify the vital types of competitive information needed
   d) create a new brand image and marketing concept for the firm
   e) send relevant information and respond to inquiries from managers about competitors

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6) As small companies achieve success, they inevitably move toward more _____ marketing. They develop formal marketing strategies and adhere to them closely.
a) ambush
b) multi-level
c) formulated
d) intrepreneurial
e) entrepreneurial

7) Dell produces and delivers PCs of competitive quality at lower costs. The company constantly aims to achieve low production and distribution costs to win a large market share. Dell utilizes a(n) _____ strategy very effectively.
a) focus
b) blue ocean
c) differentiation
d) market segmentation
e) overall cost leadership

8) When a company provides superior value by leading its industry in price and convenience, and works to reduce costs and create a lean and efficient value delivery system, the company is said to have obtained _____.
a) focus
b) differentiation
c) product leadership
d) customer intimacy
e) operational excellence

9) Samsung and Apple actively generate new ideas, relentlessly pursue new solutions, and quickly work to get new products to market. They serve customers who want state-of-the-art products and services, regardless of the costs in terms of price or inconvenience. Which of the following value disciplines is illustrated from this example?
a) product binning
b) product activation
c) product leadership
d) customer intimacy
e) operational excellence

10) Most of the market is in the hands of the _____, the firm with the largest market share.
a) market leader
b) market nicher
c) market maven
d) market follower
e) market challenger

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11) Which of the following is a market leader strategy?
a) multiple niching
b) full frontal attack
c) following closely
d) following at a distance
e) expanding market share

12) When companies spend most of their time focusing on both their buyers and their competitors, they are called _____ companies.
a) cost-centered
b) market-centered
c) product-centered
d) customer-centered
e) competitor-centered

13) _____ calls for meeting the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs.
a) Consumerism
b) Strategic planning
c) Environmentalism
d) Ambush marketing
e) Sustainable marketing

14) Deceptive practices fall into three groups: pricing, promotion, and _____.
a) service
b) product
c) publicity
d) placement
e) packaging

15) _____ involves persuading people to buy goods they had no thought of buying.
a) Redlining
b) Reverse redlining
c) Strategic marketing
d) High-pressure selling
e) Sustainable marketing

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16) Trendy Teens manufactures fashionable clothing and accessories for the tween and teen female markets. New merchandise with a very different look is rolled out each season and heavily promoted as the "must-have" style in a variety of media. This information indicates that Trendy Teens is most likely to be criticized for _____.
a) shoddy products
b) high-pressure selling
c) deceptive promotions
d) perceived obsolescence
e) poor service to disadvantaged consumers

17) When major chain retailers avoid placing stores in disadvantaged neighborhoods, they are likely to be accused of the discriminatory practice of _____.
a) puffery
b) embargo
c) licensing
d) redlining
e) scrambled merchandising

18) Which of the following leads to cultural pollution?
a) inflation
b) redlining
c) air pollution
d) language barriers
e) commercial noise

19) _____ is an organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers.
a) Liberalism
b) Capitalism
c) Protectionism
d) Consumerism
e) Environmentalism

20) Which of the following is a traditional sellers' right?
a) the right to create a monopoly in the market
b) the right to add additional taxes if necessary
c) the right to promote any product to any audience
d) the right to introduce any product in any size and style
e) the right to acquire competitors to prevent competition

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21) Consumer advocates call for additional consumer rights, including _____.
a) the right to resell the product
b) the right not to pay any taxes included in the final price
c) the right to be protected from unwanted marketing messages
d) the right to be well informed about important product aspects
e) the right to exchange the product if it is of the wrong size or style

22) _____ is an organised movement of concerned citizens, businesses, and government agencies to protect and improve people's current and future living conditions.
a) Socialism
b) Aestheticism
c) Protectionism
d) Consumerism
e) Environmentalism

23) _____ is a management approach that involves developing strategies that both preserve the environment and produce profits for the company.
a) Sustainable ecology
b) Corporate marketing
c) Aesthetic consumerism
d) Profitable environmentalism
e) Environmental sustainability

24) _____ involves thinking ahead in the design stage to create products that are easier to reuse, recycle, or recover.
a) Sustainability vision
b) Product stewardship
c) Pollution prevention
d) New clean technology
e) Design for environment

25) Deficient products are products _____.
a) that are either unsafe or inferior
b) in the decline stage of the product life cycle
c) that have neither immediate appeal nor long-run benefits
d) that have low appeal but may benefit consumers in the long run
e) that give high immediate satisfaction but only hurt consumers in the long run

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26) Examples of pleasing products include _____.
a) fruits and vegetables
b) seat belts and air bags
c) cigarettes and junk food
d) dental services and medications
e) bicycle helmets and elbow pads

27) In societal marketing, the ideal goal for companies is to turn all of their products into _____ ones.
a) durable
b) salutary
c) pleasing
d) desirable
e) serviceable

28) Which of the following is the best example of a desirable product?
a) cigarettes
b) junk food
c) breakfast cereal
d) dental insurance
e) effective but foul-tasting medicine

29) _____ are broad guidelines that everyone in the organisation must follow that cover distributor relations, advertising standards, customer service, pricing, product development, and general ethical standards.
a) company vision statement
b) corporate value statements
c) company mission statement
d) company financial statement
e) corporate marketing ethics policies

30) Some firms define their purpose in narrow product terms. Others that define their purpose in broad social terms follow _____.
a) consumerism
b) societal marketing
c) customer-value marketing
d) sense-of-mission marketing
e) consumer-oriented marketing

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SECTION B [70 Marks]- Structure Questions
Attempt ALL questions.

QUESTION 1

As the number of wealthy consumers increases in Malaysia, Nokian Smartphone Corporation (NSC) has decided to launch a series of new smartphones using "more for more" value proposition with a higher price to cover the higher costs.

a) Advise how NSC can differentiate its new series of smartphones along the lines of product, services, channels, or image. (10 marks)

b) Suggest and justify the individual product decisions for NSC's new series of smartphones in terms of product attributes (quality, features, style and design), branding, and product support services. (15 marks)

c) Discuss the possible solutions that NSC can take if their main competitor Applepie Smartphone Corporation reduces price in a permanent basis. (10 marks)

(Total: 35 marks)

QUESTION 2

Promotion and distribution strategies are two of the marketing tools that marketers use to implement their marketing strategies.

a) Some marketers are unsure to determine number of channel members for distributing goods. Explain THREE (3) marketing distribution strategies that can be used by the marketers to fix the number of channel members to use at each level. (15 marks)

b) Prof. Phillip Kotler reiterated that marketers must blend the promotional tools carefully into an effective integrated marketing communication strategy. What are these promotional tools? (20 marks)

(Total: 35 marks)

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